

Fair Political Practices Commission Memorandum

To: Chairman Johnson, Commissioners Hodson, Huguenin, Leidigh, and Remy
From: Whitney Barazoto, Government Affairs Director
Subject: Legislative Report¹
Date: August 30, 2007

The Legislature is scheduled to adjourn for the year on September 14, 2007, but it may adjourn before that date. Below is the status of each of our monitored bills as of the date of this report.

Bills Amending the Political Reform Act		
Bill # (Author)	Title	Date Introduced/Amended

AB 299 (Tran)	Maintenance of the Codes	C-07-27-07
This bill makes technical changes to multiple code sections at the recommendation of Legislative Counsel. The sections of the Political Reform Act that are amended by this bill include Government code sections 85316 and 89513. The changes are minor and technical.		
Status: Passed Legislature, signed by Governor (Ch. 130, Stat. of 2007)²		

AB 404 (Ruskin)	PRA: advertisement disclosure	A-06-19-07
This bill would require that an advertisement paid for by an independent expenditure expressly state that the ad was not authorized by a candidate or a committee controlled by a candidate.		
Status: Passed Assembly, now on Senate Floor		

AB 473 (Adams)	PRA: filing campaign statements	C-07-12-07
This Commission-sponsored bill would eliminate the requirement to file copies of campaign statements with a committee's county of domicile and reduce the requirement to file two copies of reports with local filing officers to one copy.		
Status: Passed Legislature, signed by Governor (Ch. 54, Stat. of 2007)		
Position: Sponsor		

AB 1430 (Garrick)	PRA: contribution limits	A-05-08-07
Existing law allows local jurisdictions to impose contribution limits and restrictions, but specifies that locally imposed limits or restrictions may not conflict with provisions that allow payments for "member communications." Member communications are communications by an organization to individuals and their family members when the individual is a member, employee, or shareholder of the organization. Payments made for member communications are not considered contributions or expenditures, and the same holds true for payments made by a political party to its registered members, except that the political party payments must be disclosed. This bill would list specific types of restrictions imposed by local jurisdictions that		

¹ At its public meeting, the Commission may discuss or take a position on any item included in this report.

² Bills or resolutions shaded in grey have been chaptered or adopted.

would conflict with the member communications provisions in the Political Reform Act. The listed restrictions would be prohibited, unless a state statute or regulation adopted by the Commission expressly states otherwise.

Status: Passed Assembly, now on Senate Floor

AB 1441 (Garrick) PRA: legal defense funds A-07-25-07

This bill extends to local candidates the ability to open legal defense accounts that is currently allowed for elective state office candidates. The bill provides that contributions to local candidate legal defense accounts may be subject to limits imposed by local ordinance, but the candidate must follow the reporting requirements that currently exist for state candidates.

Status: Passed Assembly, now on Senate Floor

SB 298 (Cogdill) PRA: major donor reporting A-07-12-07

This Commission-sponsored bill would increase the major donor reporting threshold, from \$10,000 to \$25,000. It would also increase the threshold for major donor notification from \$5,000 to \$15,000.

Status: Passed Senate, now on Assembly Floor

Position: Sponsor

SB 381 (Calderon) PRA: co-sponsored event payments E-08-29-07

This bill raises the reporting threshold for payments made at the behest of a candidate for political, legislative, or governmental purposes. These payments are neither gifts nor contributions to the candidate under the Political Reform Act; rather, they are typically contributions to non-profit groups who involved the candidate in the event or fundraising effort. This bill would raise the reporting threshold for these payments from \$5,000 to \$7,000 and extend the reporting deadline from 30 days to 90 days after the payment was made. The bill also exempts candidates from this reporting requirement when the candidate's name is mentioned in a press release, when the candidate conducts an interview or public service announcement, when the candidate's name is listed among multiple names in the same print on a communication, or when a government agency made the payment.

Status: Passed Legislature, enrolled to Governor

SB 512 (Sen. Elect. Com.) PRA: omnibus committee bill A-06-27-07

This Commission-sponsored bill would do the following: 1) amend the definition of "investment" to exclude government defined-benefit pension plans, 2) require candidates seeking election to designated positions to file a Statement of Economic Interest since the incumbent is already required to file one, and 3) make other minor technical amendments.

Status: Passed Assembly, now on Senate Floor

Position: Sponsor

Bills Amending the Political Reform Act that are No Longer Moving Forward (without a rule waiver, these bills may be dead or may become two-year bills)		
Bill # (Author)	Title	Date Introduced/Amended

AB 65 (Dymally) PRA: legislative caucuses A-04-12-07

This bill would allow a Senator or Assembly Member to contribute campaign funds to recognized legislative caucuses, as defined by the bill. Members may contribute these funds to caucuses of which he or she is a member. Expenditures by each caucus would be required to be reasonably related to a legislative or governmental purpose. Contributions received and expenditures made by each caucus would have to be reported quarterly by the caucus to the Chief Clerk of the Assembly, the Secretary of the Senate, or both.

Status: On Assembly Floor (inactive file)

AB 78 (Torrico) PRA: interest on campaign accounts A-04-10-07

This bill would require all committees regulated under the Political Reform Act to establish campaign accounts and report certain information on those accounts to the Commission. It would require the interest earned on the accounts of candidate-controlled committees to be transferred to the State Treasury, which would continuously appropriate the funds to the Commission for carrying out of its duties under the Act. This appropriation would be in addition to those appropriations already provided to the Commission in the Act. The interest from accounts that relate to candidate-controlled ballot measure campaigns would go into a sub-account to be spent solely for regulating ballot measure campaigns. The bill would allow committees to pay an opt-out fee of \$5,000 to the Commission in lieu of calculating and transferring the interest to the State Treasury.

Status: Failed to pass Assembly Appropriations Committee by the deadline

AB 108 (Benoit) PRA: aggregation of contribution limits A-06-13-07

This bill would aggregate contribution limits in situations where a candidate is running for state elective office and a local office simultaneously. A candidate would be prohibited from receiving contributions that, when aggregated with contributions from the candidate's other committees, exceed the contribution limits for the state elective office. The prohibition would not apply to committees controlled by a candidate if the committee's primary activity is to support oppose ballot measures.

Status: Failed to pass Senate Elections Committee by the deadline

AB 357 (Mendoza) PRA: legal funds I-02-14-07

This bill would allow legal defense funds that are not subject to contribution limits to be used to pay attorney's fees and costs related to election recounts and election contests. It also specifies that these expenses would be included in the list of expenditures that are exempt from voluntary expenditure limits.

Status: Failed to pass Senate Elections Committee by the deadline

AB 517 (Horton) PRA: restrictions on contributions I-02-21-07

This bill would prohibit contributions to candidates for elective state office during the following time periods: 1) 30 days prior to September 1 of an even-numbered year, 2) 30 days prior to the date that the Legislature adjourns for an interim recess in an odd-numbered year, and 3) the

entire time that the Legislature is convened for a special session during interim recess occurring between the first and second year of a two-year session.

Status: Failed to pass Assembly Elections Committee by the deadline

AB 583 (Hancock)

PRA: Clean Money Act

A-06-04-07

This bill would enact the California Clean Money and Fair Elections Act of 2006, which would authorize eligible candidates for Governor and for one seat in each house to obtain public funds, according to specified procedures and requirements, to campaign for elective office. Under the bill, the Commission would be responsible for the administration of the Clean Money Act. It would also create the Clean Money Fund to provide funds for the Act and would transfer \$0.01 per day, per California resident 18 years of age or older, from the General Fund to the Clean Money Fund beginning on July 1, 2008 to fund the public financing provisions. Funding for the administrative and enforcement costs of the Act would be subject to appropriation by the Legislature. The provisions would be submitted to the voters for approval at the June 3, 2008, statewide primary election, and would remain in effect until January 1, 2011.

Status: Failed to pass Senate Elections Committee by the deadline

AB 1361 (Karnette)

PRA: civil actions

A-04-09-07

This Commission-sponsored bill would limit the number of 120-day demands that may be filed by an individual or group to 50 per year and would authorize a court to permit additional filings under specified circumstances. The bill would also specify that a civil action by the individual or group is prohibited if the Commission issues an administrative order or publishes a declaration of no violation. It would require the individual or group to notify the respondent when a demand is made. The bill would also require a court to consider Commission rules and regulations in determining a judgment amount in cases brought under the civil action provisions.

Status: Failed to pass Senate Judiciary Committee by the deadline (now a two-year bill)

Position: Sponsor

AB 1369 (Adams)

PRA: electronic filing of campaign statements

A-04-26-07

This bill would require campaign statements that are filed by candidates and committees with a city or county filing officer to be made available on the internet by the local filing officer.

Status: Failed to pass the Assembly Appropriations Committee by the deadline

SB 130 (Battin)

FPPC: commissioners

A-04-16-07

This bill would provide our Commissioners with annual compensation at the rate currently received by commissioners on the California Medical Assistance Commission (\$50,000) and would specify that the Chairman work in a full-time capacity and the remaining Commissioners be considered part-time.

Status: Failed to pass Senate Elections Committee by the deadline

(The author indicated that he will not move forward with this bill.)

SB 131 (Battin)

FPPC: confidentiality

A-04-16-07

This bill would add a statutory requirement that any communications between the Commission and a respondent regarding the resolution of a violation be treated by the Commission as confidential and not be disclosed to a third party, except that a stipulated order approved by the Commission may be released to the public. The bill provides that a knowing and willful

violation of the provision constitutes a misdemeanor and that a violation is also punishable by forfeiture of office or employment and disqualification from ever holding office in the state.

Status: Failed to pass Senate Elections Committee by the deadline
(The author indicated that he will not move forward with the bill this year.)

SB 217 (Cogdill) PRA: conflict-of-interest code I-02-09-07

This bill designates the county board of education instead of the county board of supervisors as the code reviewing body for a school district in a multi-district county, a county office of education, a regional occupation center or program, or a school-related joint powers authority located wholly within a single county. The Superintendent of Public Instruction would be the code reviewing body for a county board of education, a county office of education of a county with only a single school district, or a school district of a county with only a single school district. This bill also designates the California Community College Board of Governors as the code reviewing body for all community college districts.

Status: Failed to pass Senate Appropriations Committee by the deadline

SB 497 (Ackerman) PRA: electronic filing of SEI's I-02-22-07

This bill would allow a local filing officer the ability to offer or require electronic filing of Statements of Economic Interests (Form 700's).

Status: Failed to pass Senate Elections Committee by the deadline

SB 536 (Simitian) PRA: Insurance Commissioner campaigns I-02-22-07

This bill would enact the Insurance Commissioner Election Accountability Act of 2006, which would authorize eligible Insurance Commissioner candidates to obtain public financing from a fund made up of fees collected from insurers, reimbursements, and interest, provided that certain thresholds of public support are shown. The bill would impose responsibility for its administration on the Fair Political Practices Commission, and it provides specified penalties for violations of its provisions. The provisions of this bill that amend the Political Reform Act would be submitted to the voters for approval at the June 3, 2008, statewide primary election.

Status: Failed to pass Senate Banking, Finance, and Insurance Committee by the deadline

SB 662 (Wiggins) PRA: conflict-of-interest codes A-04-09-07

This bill designates the county board of education instead of the county board of supervisors as the code reviewing body for a school district, a county office of education, a regional occupation center or program, or a school-related joint powers authority located wholly within a single county. (This bill is similar to, but narrower than, SB 217.)

Status: Failed to pass Senate Appropriations Committee by the deadline

Bills Not Amending the Political Reform Act		
Bill # (Author)	Title	Date Introduced/Amended
AB 745 (Silva)	Local Agency Government Formation	C-07-20-07
This bill would require reporting of contributions and expenditures made for political activities in connection with petitions to propose a change of organization or reorganization to the local agency formation commission before the proposal has been submitted to the local agency		

commission. Current law requires reporting of expenditures for these activities once the proposal has been submitted to the local agency commission; this bill would require reporting before submission to the local agency commission.

Status: Passed Legislature, signed by Governor (Ch. 109, Stat. of 2007)

AB 933 (Jeffries) Exempt employee salaries C-07-27-07

This bill amends the exempt employee salary provisions that set the salaries for multiple agency and department heads, including the Chairperson of the Commission. The bill makes changes to other provisions; it does nothing to change the Commission Chairperson's salary.

Status: Passed Legislature, signed by Governor (Ch. 142, Stat. of 2007)

AB 1678 (De La Torre) Public officials: conflicts of interest C-07-12-07

This bill provides that the statute of limitations for violations of Government Code section 1092 (relating to conflicts of interest in government contracting) is four years after the plaintiff has discovered or should have discovered the violation.

Status: Passed Legislature, signed by Governor (Ch. 68, Stat. of 2007)

ACA 1 (Price, Nunez) Elections: redistricting A-06-20-07

This constitutional amendment would assign redistricting authority to a commission consisting of the nine public members of the Little Hoover Commission on California State Government Organization and Economy and would establish rules for its proceedings and presentation of its redistricting plan. It would give the California Supreme Court original and exclusive jurisdiction over any challenges to the adopted plan and allows any affected elector to file for Supreme Court review of the plan, based on an alleged violation of the California or United States Constitution or federal statute, before implementation by the Secretary of State.

Status: Assembly Appropriations Committee

HR 1 (De La Torre) 2007-08 Assembly Standing Rules A-12-04-06

This House Resolution adopts the Rules of the Assembly for the 2007-08 Regular Session and includes, among other things, a reiteration of the rule in Government Code section 81012 which allows amendment of the Political Reform Act by 2/3 vote of each house, if the Commission received a copy of the bill in its final form at least 12 days prior to passage in each house.

Status: Adopted by Assembly

SB 884 (Lowenthal) CA Coastal Commission: gift or gratuity A-07-11-07

This bill amends the Public Resources Code to prohibit a California Coastal Commission member or staff from accepting a gift of more than \$10 per month from an applicant who seeks approval of a coastal development permit.

Status: Passed Senate, now on Assembly Floor

SCA 9 (Ashburn) Redistricting; term, salary, contribution limits A-05-14-07

This constitutional amendment would provide 12-year aggregate term limits for members of the California Senate and Assembly. It would require 24-hour reporting of contributions of \$1,000 or more that are made to the Governor and Legislators during certain time periods in relation to

the state budget and end of legislative session. It would impose additional requirements on legislators and would create a redistricting commission.

Status: Passed Senate, now in Assembly

SCA 10 (Lowenthal) Election; redistricting I-04-23-07

This constitutional amendment would create an independent redistricting commission to conduct redistricting of Senate, Assembly, congressional, and State Board of Equalization districts. It would require the Fair Political Practices Commission to select three of the eleven members out of a pool of 55 candidates.

Status: Passed Senate, now in Assembly

SCR 1 (Scott) 2007-08 Senate and Assembly Joint Rules C-01-09-07

This Senate Concurrent Resolution adopts the Joint Rules of the Senate and Assembly for the 2007-08 Regular Session and includes, among other things, a requirement that the author of any PRA bill notify the Assembly Chief Clerk or the Secretary of the Senate of the nature of the bill in order for the Assembly Chief Clerk or the Secretary of the Senate to deliver a copy of the bill to the Commission at least 12 days prior to passage in either house per Government Code section 81012.

Status: Adopted by Assembly and Senate, Chaptered (Res. Ch. 2, Stat. of 2007)

**Bills Not Amending the Political Reform Act that are No Longer Moving Forward
(without a rule waiver, these bills may be dead or may become two-year bills)**

Bill # (Author)	Title	Date Introduced/Amended
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AB 889 (Lieu) Metro Green Line Construction Authority A-04-30-07

This bill creates the Metro Green Line Construction Authority which, among other things, must adopt an administrative code in accordance with the Political Reform Act.

Status: Failed to pass Assembly Appropriations Committee by the deadline

AB 1682 (Benoit) State Compensation Insurance Fund A-05-02-07

This bill would require that the State Compensation Insurance Fund be subject to the provisions of the Political Reform Act.

Status: Failed to pass Assembly Appropriations Committee by the deadline

SCA 7 (Wyland) State Budget I-04-09-07

This constitutional amendment would require the Legislature to pass a two-year budget by May 1 of each even-numbered year, beginning on July 1, 2010. Existing provisions under this section provide that members of the Citizen's Compensation Commission be compensated the same as FPPC Commissioners; that provision remains unchanged by this constitutional amendment.

Status: Failed to pass Senate Budget Committee by the deadline